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Retailers' Push for Voluntary Labeling of GM Foods Draws Counterproposal from Hong Kong Government

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Report Highlights:

The H.K. FEHD has proposed guidelines on voluntary labeling of Genetically Modified (GM) foods which have been passed onto the H.K. Retail Management Association for comments. One of the implications of this move is that U.S. suppliers may be requested by H.K. importers/retailers to report whether their food products contain GM ingredients. Also, this first step could eventually pave the way toward compulsory labeling of GM food, especially if consumer and media pressure continue to mount.

Unscheduled Report
Hong Kong [HK1], HK

In response to efforts by Hong Kong retailers to formulate their own guidelines, the Hong Kong Food and Environmental Hygiene Department has proposed guidelines on voluntary labeling of Genetically Modified (GM) foods which have been passed onto the Hong Kong Retail Management Association for comments. One of the implications of this move is that U.S. suppliers may be requested by Hong Kong importers/retailers to report whether their food products contain GM ingredients. Also, this first step could eventually pave the way toward compulsory labeling of GM food, especially if consumer and media pressure continue to mount.

Background

In April 2000, Hong Kong's two big food retail chains, Wellcome and ParkNShop, decided to form a joint working group by the name of InForm to formulate and propose guidelines relating to the sale of GM foods. Later on, the working group was enlarged to include the Retail Management Association (RMA), Hong Kong Consumer Council and the Hong Kong Food and Environment Hygiene Department representatives so as to develop a common industry position. In July, the RMA distributed some proposed guidelines to members and relevant parties, including the Agricultural Trade Office, for comments.

The essence of the RMA proposal is that food should be labeled as "containing genetically modified ingredients" if the level of GM ingredients exceeds 1% of the total. Also, the proposal called upon the Hong Kong Government to provide a list of specific genetically modified products which should be prohibited for sale in Hong Kong altogether for health reasons.

The Hong Kong Food & Environmental Hygiene Department responded by proposing an alternative set of guidelines, which have been distributed to the food trade for comments. FEHD's goal is for the revised guidelines to serve as a reference for the trade to provide truthful and informative labels with regard to GM food.

Guidelines on Voluntary Labeling of Genetically Modified (GM) Food

The main features of FEHD's proposed guidelines are the following:

- 1 Any GM food which is no longer equivalent to its traditional counterpart in composition, nutritional value, intended use or allergenicity is recommended to display an additional declaration indicating the differences. This approach seems to adopt the concept of substantial equivalence for the purpose of voluntary labeling.
- 2 A threshold level of 5% is proposed for labeling. This level would apply to individual food ingredients and it would take into account adventitious mixing of GM and non-GM crops during harvest, transportation, processing and storage.
- 3 For foods of plant origin that contain animal genes, a clear declaration indicating the presence

of animal genes is recommended.

Comments

It appears that Hong Kong has taken a substantial step towards labeling of GM foods. This first effort at voluntary labeling will be used to gauge the industry's and suppliers' responses and to test its practicality. Any problems experienced with the voluntary labeling guidelines can be used to improve the government's next policy formulation on GM foods. Also, the government may want to use this voluntary scheme as an interim measure to soothe consumers' demand for GM labeling to a certain extent.

FEHD's changes to the RMA proposal may reveal key differences in the Hong Kong Government's position on labeling. The less restrictive treatment of substantially equivalent products and the 5% threshold more closely resemble the U.S. approach than the RMA proposal.

The enlarged joint working group will be meeting again in November to finalize the proposal if possible. The preliminary goal is to implement the voluntary labeling proposal by the end of 2000. Under this scenario, the finalized "Guidelines for Voluntary Labeling of GM Food" would be uploaded onto the FEHD website and would be distributed to major food trade associations. U.S. exporters can expect their Hong Kong importers to enquire about GM content of their food products and to request GM labeling on imports.

GM-free labeling, especially for house brands, may be attempted for a wide range of products by local importers/retailers, as a marketing tool to gain support from the media and consumer groups. As a result of negative propaganda on GM foods by green groups, retailers generally want to avoid having their products associated with GM properties. While the emphasis of this proposal has been on voluntary labeling, once a label is put on a product, it must conform to Hong Kong's food labeling law which prohibits false description.

The recent detection of Starlink corn in taco shells adversely affected consumers' general perceptions of GM foods and prompted another round of demands for labeling in Hong Kong. Agents and retailers, at the advice of the Hong Kong Food & Environmental Hygiene Department, recalled all involved taco shell products from retail outlets. Greenpeace even urged the Hong Kong Government to stop imports of U.S. maize completely, warning that it might contain GM ingredients that could cause allergies. However, the government representative responded that there is no evidence to suggest other maize products currently being sold are unsafe.

In recent months, Hong Kong's general public has become more aware of the controversies surrounding GM foods because the subject has been widely reported in the media. In general, it is the negative side of the GM food issue which is reported, e.g. the Starlink incident, rather than the potential consumer and environmental benefits. Greenpeace frequently conducts anti-GM press releases and campaigns which are reported in papers. For instance, in early October it was reported that Oxfam and Greenpeace jointly conducted a telephone interview among 1000 people to gauge the public's views on GM foods. Findings showed that over 90% respondents agreed to the establishment of a GM labeling system. It is through such reports that consumers get to know more about GM foods. Also the easy access to worldwide information allows Hong Kong people to obtain updated news on

food issues.

Pressure is great in Hong Kong to introduce a GM labeling law. The government is likely to present a formal report to the Hong Kong Legislative Council by the end of this year. The Hong Kong Government feels that CODEX standards will be too long in coming, given the disparity of views held by member governments. The current voluntary guidelines suggested by the government likely serve as a blueprint for Hong Kong's position on GM labeling in the future.

In any event, the Hong Kong government still has a number of problems to tackle before full implementation of compulsory labeling can be seriously considered. One of the key problems is enforcement, which will be tremendously difficult given Hong Kong's heavy reliance on food imports from all over the world, particularly from mainland China. China is an advocate for GM foods and its huge food shipments to Hong Kong will make Hong Kong's enforcement of GM labeling difficult.